

Message Text

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ACTION ARA-20

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INFO USCINCSO

C O N F I D E N T I A L LIMA 9281

USCINCSO FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, MASS, PE, UR

SUBJ: PERUVIAN PURCHASE OF SOVIET ARMAMENT:

CHRONOLOGY OF TANK PURCHASE

REF: LIMA 8889; LIMA 8892; LIMA 8893 (NOTAL)

1. A CHRONOLOGICAL SUMMARY OF PERU'S EFFORTS TO PURCHASE MODERN ARMOR FROM THE UNITED STATES AND OF ITS SUBSEQUENT DECISION TO ACQUIRE SOVIET TANKS FOLLOWS.

2. APRIL 14, 1972: PERUVIAN CHIEF OF STAFF MERCADO AND CHIEF MAAG DISCUSSED PERUVIAN ARMY REQUIREMENT FOR MODERN ARMOR. REPORT WAS MADE TO CINCSO.

3. MAY 20, 1972: CINCSO INFORMED DEFENSE DEPARTMENT OF HIGH PRIORITY MERCADO ATTACHED TO PURCHASE OF LIGHT TANKS. CINCSO NOTED THAT M 41'S UNAVAILABLE BUT SUGGESTED M 551 GEN SHERIDAN (AIR BORNE ASSAULT VEHICLE SOMETIMES REFERRED TO AS LIGHT TANK). CINCSO WARNED THAT "IN ABSENCE SOME POSITIVE SIGNAL OF
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AVAILABILITY THE PERUVIANS WOULD TURN ELSEWHERE."

4. JUNE 30, 1972: DEPT ARMY REPORTED ON UNAVAILABILITY OF BOTH M 41'S AND M 551'S.

5. JULY 10, 1972: MAAG INFORMED GENERAL MERCADO OF UNAVAILABILITY OF DESIRED EQUIPMENT.

6. JULY 14, 1972: MERCADO INFORMED AMBASSADOR OF HIGHLY FAVORABLE SOVIET TERMS FOR T-55 TANKS GIVEN TO HIM DURING RECENT VISIT TO USSR. MERCADO STATED THAT PERU HAD MADE NO COMMITMENT TO PURCHASE SOVIET EQUIPMENT AND WOULD PREFER US EQUIPMENT. MERCADO NOTED THAT LACK OF CREDIT FACILITIES MADE US PURCHASE ALMOST IMPOSSIBLE BUT PERUVIAN ARMY IS DETERMINED TO MODERNIZE. AMBASSADOR COMMENTED TO DEPARTMENT THAT "PERUVIANS WITHOUT DOUBT WILL BE MODERNIZING THEIR FORCES AND WILL BE PURCHASING ITEMS WHEREVER THEY CAN BE OBTAINED ON FAVORABLE TERMS" (LIMA 4375).

7. DEC. 12, 1972: PELLY AMENDMENT SANCTIONS AGAIN PROHIBITED FMS SALES TO PERU.

8. APRIL 1973: MERCADO (NOW PRIME MINISTER) PRESENTED "WANT LIST" TO AMBASSADOR. TOP ITEM WAS REQUIREMENT FOR 110 MEDIUM TANKS WITH 105MM GUN (52 TON M60 A1 TANK). MAAG TRIED UNSUCCESSFULLY TO SELL PERUVIANS SMALLER M48A3 TANK.

9. MAY 14, 1973: PELLY AMENDMENT SANCTIONS WAIVED PERMITTING RESUMPTION FMS.

10. SOMETIME BETWEEN APRIL AND JULY 1973: PERU BOUGHT SOVIET T-54 OR T-55 TANKS.

1. JULY 1973: AFTER A SERIES OF DISCUSSIONS PERU SUBMITTED REVISED WANT LIST OMITTING TANKS. OVERSIGHT CALLED TO PERUVIANS' ATTENTION WHO REPLIED THAT COST FACTORS DICTATED OTHER PRIORITIES.

12. NOVEMBER 1973: SOVIET FREIGHTER CLANDESTINELY CONFIDENTIAL

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UNLOADED FIRST SOVIET TANKS AT CALLAO.

13. DECEMBER 19, 1973: AT PRESS CONFERENCE, PRESIDENT VELASCO CONFIRMED PURCHASE OF SOVIET TANKS WITHOUT GIVING DETAILS.

14. COMMENT: THE PERUVIAN ARMY INFORMED THE USG OF ITS DESIRE TO PURCHASE US TANKS A YEAR BEFORE IT MADE

THE SOVIET PURCHASE. THEY KNEW THAT US TANKS COMPARED FAVORABLY TO SOVIET OR FRENCH VERSIONS. BUT IN TERMS OF WEIGHT, COMPLEXITY AND, ABOVE ALL, PRICE AND FINANCING, THE US TANKS WERE NON-COMPETITIVE. PERU PLACED COST FACTORS ABOVE POLITICAL CONSIDERATIONS AND PROCEEDED WITH PURCHASE.

15. IT SHOULD BE REMEMBERED THAT PERUVIAN ARMY AND AIR FORCE ARE MAKING SIZEABLE FMS PURCHASES WHICH SHOULD ALLAY USG CONCERNS THAT PERU INTENDS DEPEND PRIMARILY ON USSR OR ANYONE ELSE. PERUVIAN ARMY IS BUYING M 113'S AND WANTS US ARTILLERY. THE AIR FORCE IS RECEIVING A-37'S AND WANTS F 5E/F'S. NAVY HAS ALSO SUBMITTED SIZEABLE REQUESTS FOR VESSELS.
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